

WRIGHT TOWNSHIP
Hillsdale County, Michigan
Annual Financial Report
March 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

| | | | |
|---|--------------------------------|--|----------------------------|
| Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Government Name WRIGHT TOWNSHIP | County HILLSDALE |
| Audit Date 3/31/04 | Opinion Date 8/29/04 | Date Accountant Report Submitted to State: 9/27/04 | |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

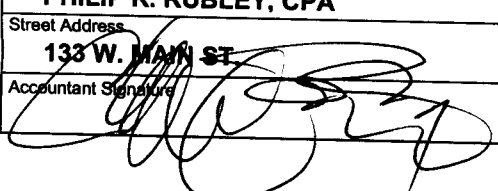
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

| | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations. | ✓ | | |
| Reports on individual federal financial assistance programs (program audits). | | | ✓ |
| Single Audit Reports (ASLGU). | | | ✓ |

| | | | |
|---|--|------------------------|------------------------|
| Certified Public Accountant (Firm Name) PHILIP R. RUBLEY, CPA | | | |
| Street Address 133 W. MAIN ST | | City MORENCI | State MI |
| Accountant Signature  | | ZIP 49256 | Date 9/10/04 |

**WRIGHT TOWNSHIP
Annual Financial Report
Year Ended March 31, 2004**

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Audit Procedures Report

PHILIP R. RUBLEY

- Certified Public Accountant -

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'S
& THE MICHIGAN ASSOCIATION OF C.P.A.'S

August 29, 2004

Board of Trustees
Wright Township
Hillsdale County, Michigan

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of Wright Township, Hillsdale County, Michigan as of March 31, 2004, and for the year then ended. These general purpose financial statements are the responsibility of Wright Township management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Wright Township, Hillsdale County, Michigan, as of March 31, 2004, and results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,


Philip R. Rubley, CPA
Morenci, Michigan

WRIGHT TOWNSHIP
Combined Balance Sheet - All Fund Types And Account Groups
March 31, 2004

Governmental Fund Types

| | <u>General</u> | <u>Special Revenue</u> |
|--|-------------------------|-----------------------------------|
| <u>Assets</u> | | |
| Cash - Checking | \$ 77 | \$ 25 |
| Cash - Petty Cash | 28 | --- |
| Cash - Investment Plus | 161,068 | 96,120 |
| Savings Account | --- | 15,915 |
| Certificate of Deposits | --- | 61,326 |
| Receivables (Net Where Applicable, of Allowances for Uncollectibles): | | |
| Property Taxes/Interest | 6,900 | 131 |
| Fixed Assets (Note 1) | --- | --- |
| Prepaid Insurance | 7,427 | 1,779 |
| Due From Other Funds | --- | --- |
| Total Assets | <u>\$175,500</u> | <u>\$175,296</u> |
| <u>Liabilities</u> | | |
| Other Authorities | \$ --- | \$ --- |
| State Income Tax Payable | 201 | --- |
| Due From Other Funds | --- | --- |
| Bonds Payable | --- | --- |
| Total Liabilities | <u>201</u> | <u>---</u> |
| <u>Fund Balances</u> | | |
| Investment in Fixed Assets | --- | --- |
| Reserved or Restricted Fund Balances | --- | 175,296 |
| Unreserved: | | |
| Undesignated | 175,299 | --- |
| Retained Earnings | --- | --- |
| Total Fund Balance | <u>175,299</u> | <u>175,296</u> |
| Total Liabilities And Fund Balance | <u>\$175,500</u> | <u>\$175,296</u> |

See accompanying notes to financial statements.

| <u>Fiduciary Proprietary Fund Type Enterprise</u> | <u>Account Groups Fund Types Trust And Agency</u> | <u>General Fixed Assets</u> | <u>Totals (Memorandum Only) 2004</u> |
|---|---|-------------------------------------|--|
| \$ 1,295 | \$ --- | \$ --- | \$ 1,397 |
| --- | --- | --- | 28 |
| 27,971 | --- | --- | 285,159 |
| 856 | 347 | --- | 17,118 |
| --- | --- | --- | 61,326 |
| --- | --- | --- | 7,031 |
| 276,201 | --- | 425,226 | 701,427 |
| --- | --- | --- | 9,206 |
| --- | --- | --- | --- |
| <u>\$306,323</u> | <u>\$ 347</u> | <u>\$425,226</u> | <u>\$1,082,692</u> |
| \$ --- | \$ --- | \$ --- | \$ --- |
| --- | --- | --- | 201 |
| --- | --- | --- | --- |
| 300,000 | --- | --- | 300,000 |
| <u>300,000</u> | <u>---</u> | <u>---</u> | <u>300,201</u> |
| --- | --- | 425,226 | 425,226 |
| --- | 347 | --- | 175,643 |
| --- | --- | --- | 175,299 |
| 6,323 | --- | --- | 6,323 |
| <u>6,323</u> | <u>347</u> | <u>425,226</u> | <u>782,491</u> |
| <u>\$306,323</u> | <u>\$ 347</u> | <u>\$425,226</u> | <u>\$1,082,692</u> |

WRIGHT TOWNSHIP
Combined Statement Of Revenues, Expenditures and Changes In Fund Balances
All Governmental Fund Types And Expendable Trust Funds
For The Fiscal Year Ended March 31, 2004

| | <u>Governmental Fund Types</u> | |
|--|--------------------------------|------------------|
| | <u>Special General</u> | <u>Revenue</u> |
| <u>Revenues:</u> | | |
| Taxes | \$113,962 | \$ --- |
| Intergovernmental | 81,913 | --- |
| Charges for Services | 12,456 | 95,211 |
| Interest | 588 | 1,129 |
| Miscellaneous | 3,423 | 32,406 |
| Total Revenues | <u>212,342</u> | <u>128,746</u> |
| <u>Expenditures:</u> | | |
| General Government | 81,940 | --- |
| Fire & Ambulance | 12,366 | 102,091 |
| Highways, Streets & Bridges | 65,796 | --- |
| Drains | 3,539 | --- |
| Street Lighting | 759 | --- |
| Library | 3,600 | --- |
| Sanitation | 20 | --- |
| Dust Control | 13,261 | --- |
| Capital Outlay | --- | --- |
| Total Expenditures | <u>181,281</u> | <u>102,091</u> |
| Excess Revenues Over (Under) Expenditures | 31,061 | 26,655 |
| <u>Beginning Fund Balance</u> | <u>144,238</u> | <u>148,641</u> |
| <u>Ending Fund Balance</u> | <u>\$175,299</u> | <u>\$175,296</u> |

See accompanying notes to financial statements.

Fiduciary Fund Types
Cemetery Trust
Fund-Expendable

Totals
(Memorandum Only)
2004

| | |
|---------------|------------------|
| \$ --- | \$113,962 |
| --- | 81,913 |
| --- | 107,667 |
| 2 | 1,719 |
| --- | 35,829 |
| <u>2</u> | <u>341,090</u> |
| --- | 81,940 |
| --- | 114,457 |
| --- | 65,796 |
| --- | 3,539 |
| --- | 759 |
| --- | 3,600 |
| --- | 20 |
| --- | 13,261 |
| --- | --- |
| <u>---</u> | <u>283,372</u> |
| 2 | 57,718 |
| <u>345</u> | <u>293,224</u> |
| <u>\$ 347</u> | <u>\$350,942</u> |

WRIGHT TOWNSHIP
Combined Statement Of Revenues, Expenditures And Changes In Fund Balances
Budget (GAAP Basis) And Actual
General Fund And Special Revenue Fund Types
Year Ended March 31, 2004

| | <u>General Fund</u> | | <u>Variance</u> |
|--|---------------------|------------------|--|
| | <u>Budget</u> | <u>Actual</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| <u>Revenues:</u> | | | |
| Taxes | \$107,615 | \$113,962 | \$ 6,347 |
| Intergovernmental | 88,200 | 81,913 | (6,287) |
| Charges for Services | 10,290 | 12,456 | 2,166 |
| Interest | 345 | 588 | 243 |
| Miscellaneous | 3,450 | 3,423 | (27) |
| Total Revenues | <u>209,900</u> | <u>212,342</u> | <u>2,442</u> |
| <u>Expenditures:</u> | | | |
| General Government | 90,471 | 81,940 | 8,531 |
| Fire & Ambulance | 12,600 | 12,366 | 234 |
| Highways, Streets & Bridges | 77,815 | 65,796 | 12,019 |
| Drains | 5,000 | 3,539 | 1,461 |
| Street Lighting | 800 | 759 | 41 |
| Library | 3,600 | 3,600 | --- |
| Dust Control | 13,650 | 13,261 | 389 |
| Sanitation | 20 | 20 | --- |
| Capital Outlay | --- | --- | --- |
| Contingency | 5,899 | --- | 5,899 |
| Total Expenditures | <u>209,855</u> | <u>181,281</u> | <u>28,574</u> |
| Excess Revenues Over (Under) Expenditures | 45 | 31,061 | 31,016 |
| <u>Beginning Fund Balance</u> | <u>144,238</u> | <u>144,238</u> | <u>---</u> |
| <u>Ending Fund Balance</u> | <u>\$144,283</u> | <u>\$175,299</u> | <u>\$31,016</u> |

Special Revenue Funds

| <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|------------------|------------------|---|
| \$ --- | \$ --- | \$ --- |
| --- | --- | --- |
| 95,653 | 95,211 | (442) |
| 950 | 1,129 | 179 |
| <u>870</u> | <u>32,406</u> | <u>31,536</u> |
| <u>97,473</u> | <u>128,746</u> | <u>31,273</u> |
| --- | --- | --- |
| 129,800 | 102,091 | 27,709 |
| --- | --- | --- |
| --- | --- | --- |
| --- | --- | --- |
| --- | --- | --- |
| --- | --- | --- |
| --- | --- | --- |
| --- | --- | --- |
| <u>129,800</u> | <u>102,091</u> | <u>27,709</u> |
| (32,327) | 26,655 | 58,982 |
| <u>148,641</u> | <u>148,641</u> | <u>---</u> |
| <u>\$116,314</u> | <u>\$175,296</u> | <u>\$58,982</u> |

WRIGHT TOWNSHIP
Enterprise Fund
Statement of Revenues, Expenditures and Changes In Retained Earnings
For The Year Ended March 31, 2004

Non-Operating Revenues:

| | |
|-------------------------------------|-----------------------|
| Miscellaneous | \$ 295 |
| Interest | <u>2,531</u> |
| Total Non-Operating Revenues | <u>2,826</u> |
| Net Income | 2,826 |
| Beginning Retained Earnings | <u>3,497</u> |
| Ending Retained Earnings | <u><u>\$6,323</u></u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Statement of Cash Flows
All Proprietary Fund Types
For The Year Ended March 31, 2004

Enterprise Fund

Operating Activities:

| | |
|--|-----------------|
| Operating Income | <u>\$ 2,826</u> |
| Total Cash Provided By Operating Activities | <u>2,826</u> |
| Net Increase In Cash | 2,826 |
| Cash - April 1 | <u>27,296</u> |
| Cash - March 31 | <u>\$30,122</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Combining Statement Of Changes In Assets And Liabilities
All Agency Funds
For The Fiscal Year Ended March 31, 2004

| | Balance April 1, 2003 | Additions | Deletions | Balance March 31, 2004 |
|-------------------------------|-----------------------------|------------------|------------------|------------------------------|
| <u>Assets</u> | | | | |
| Cash | \$ --- | \$938,809 | \$938,809 | \$ --- |
| <u>Liabilities</u> | | | | |
| Due to General Fund | \$ --- | \$115,009 | \$115,009 | \$ --- |
| Due to Others | --- | 9,472 | 9,472 | --- |
| Due to Schools | --- | 393,938 | 393,938 | --- |
| Due to County | --- | 264,911 | 264,911 | --- |
| Due to Intermediate School | --- | 155,479 | 155,479 | --- |
| | <u>\$ ---</u> | <u>\$938,809</u> | <u>\$938,809</u> | <u>\$ ---</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Notes To Financial Statements
March 31, 2004

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Township of Wright conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Fund Accounting

The accounts of Wright Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government Funds

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Specific Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

Proprietary Funds

These funds are used to account for the Township's ongoing organization and activities that are similar to those found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the Township's business activities are accounted for through these funds.

Fixed Assets

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

WRIGHT TOWNSHIP
Notes To Financial Statements
March 31, 2004

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("Infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations. The Sewer Fund construction was not final at March 31, 2004. No depreciation was taken.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Investments

Investments are stated at cost or amortized cost, which approximates market.

Total Columns on Combined Statements - Overview

Total Columns on Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Cash And Cash Equivalents

Cash, as defined for the cash flow statement, includes amounts in demand deposits as well as short term investments with maturities within a three month period.

WRIGHT TOWNSHIP
Notes To Financial Statements
March 31, 2004

Property Taxes

Properties are assessed as of December 31, and the related property taxes become a lien on December 1st of the following year. These taxes are due on February 14, with final collection date of February 28, before they are added to the County tax rolls.

The Townships 2003 tax roll millage rate was 2.8256 mills.

Delinquent real property taxes are reimbursed to the local units through a County revolving fund.

Note 2: Wright Township - Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the Township of Wright, (the primary government).

The financial reporting entity consists of (a) the primary government, (b) organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organization if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are financially dependent on it.

Wright Township has no reportable entities which need to be included in their financial statements.

Note 3: Changes In General Fixed Assets

A summary of changes in general fixed assets follows:

| | General Fixed Assets | | | General Fixed Assets |
|-----------|---------------------------------|------------------|------------------|---------------------------------|
| | 4/01/03 | Additions | Deletions | 3/31/04 |
| Land | \$ 31,500 | \$ --- | \$ --- | \$ 31,500 |
| Buildings | 77,250 | --- | --- | 77,250 |
| Equipment | 278,573 | 37,903 | --- | 316,476 |
| Totals | <u>\$387,323</u> | <u>\$37,903</u> | <u>\$ ---</u> | <u>\$425,226</u> |

Note 4: Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these general purpose financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget of each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.

WRIGHT TOWNSHIP
Notes To Financial Statements
March 31, 2004

3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted by a majority vote of the Township Board.
5. The budgets are adopted on a modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Note 5: Investments

Investments are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1

Insured or registered, or securities held by the Township or its agent in the Township's name.

Category 2

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.

Category 3

Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

| | <u>Category</u> | | | <u>Carrying</u> | <u>Market</u> |
|------|------------------|---------------|---------------|------------------|------------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | <u>Amount</u> | <u>Value</u> |
| Cash | \$365,028 | \$ --- | \$ --- | \$365,028 | \$365,028 |
| | <u>\$365,028</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$365,028</u> | <u>\$365,028</u> |

Insurance coverage is limited to FDIC coverage.

Note 6: Budgets and Budgetary Accounting

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted at the function/activity level and adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All appropriations lapse at year end.

Note 7: Pension Plan

The Township has no pension plan at March 31, 2004 and has elected to be inclusive in the Social Security system.

WRIGHT TOWNSHIP
Notes To Financial Statements
March 31, 2004

Note 8: Fire And Ambulance Fund

The Fire and Ambulance Fund is under the joint supervision of Wright Township and the Village of Waldron, with the books and records being maintained by Wright Township. In this joint project, firemen's salaries are paid 100% by the Township for fire calls in the Township and 100% by the Village for fire calls in the Village. To the extent that other expenditures exceed operating revenues, the Township pays 2/3 of these costs and the Village pays 1/3 of these costs.

Note 9: Contracts

The Township annually contracts with Ransom, Amboy, Medina Township and Village of Waldron to provide fire protection services.

Note 10: Interfund Receivable And Payable

P.A. 621 of 1988, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended March 31, 2004, the Township incurred no expenditures in certain budgetary funds in excess of the amounts appropriated per category.

Note 11: Interest Receivable

Interest on investments are recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Note 12: Bonded Debt

Presently the debt incurred for construction was \$300,000 payable over time, thru sewer assessments. Interest only paid in 2004.

WRIGHT TOWNSHIP
General Fund
Balance Sheet
March 31, 2004

| | <u>2004</u> |
|--|-------------------------|
| <u>Assets</u> | |
| Cash - Checking | \$ 77 |
| Cash - Petty Cash | 28 |
| Cash - Investment Plus Savings | 161,068 |
| Receivables: | |
| Property Tax | 6,900 |
| Prepaid Insurance | <u>7,427</u> |
| Total Assets | <u><u>\$175,500</u></u> |
| <u>Liabilities And Fund Balance</u> | |
| <u>Liabilities:</u> | |
| State Income Tax Payable | <u>\$ 201</u> |
| Total Liabilities | <u>201</u> |
| Fund Balance: | |
| Unreserved: | |
| Undesignated | <u>175,299</u> |
| Total Fund Balance | <u>175,299</u> |
| Total Liabilities And Fund Balance | <u><u>\$175,500</u></u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
General Fund
Statement Of Revenues, Expenditures, And Changes In Fund Balance
Budget (GAAP Basis) And Actual
Year Ended March 31, 2004

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|------------------|------------------|---|
| <u>Revenues:</u> | | | |
| Taxes | \$107,615 | \$113,962 | \$ 6,347 |
| Intergovernmental | 88,200 | 81,913 | (6,287) |
| Charges for Services | 10,290 | 12,456 | 2,166 |
| Interest | 345 | 588 | 243 |
| Miscellaneous | 3,450 | 3,423 | (27) |
| Total Revenues | <u>209,900</u> | <u>212,342</u> | <u>2,422</u> |
| <u>Expenditures:</u> | | | |
| General Government | 90,471 | 81,940 | 8,531 |
| Highways, Streets & Bridges | 77,815 | 65,796 | 12,019 |
| Drains | 5,000 | 3,539 | 1,461 |
| Street Lighting | 800 | 759 | 41 |
| Library | 3,600 | 3,600 | --- |
| Sanitation | 20 | 20 | --- |
| Fire & Ambulance | 12,600 | 12,366 | 234 |
| Dust Control | 13,650 | 13,261 | 389 |
| Contingency | 5,899 | --- | 5,899 |
| Total Expenditures | <u>209,855</u> | <u>181,281</u> | <u>28,574</u> |
| Excess Revenues Over (Under) Expenditures | 45 | 31,061 | 31,016 |
| <u>Beginning Fund Balance</u> | <u>144,238</u> | <u>144,238</u> | <u>---</u> |
| <u>Ending Fund Balance</u> | <u>\$144,283</u> | <u>\$175,299</u> | <u>\$31,016</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
General Fund
Statement Of Expenditures, Compared To Budget (GAAP Basis)
Year Ended March 31, 2004

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---------------------------------|---------------|---------------|---|
| General Government: | | | |
| Legislative: | | | |
| Salaries and Wages | \$ 3,360 | \$ 3,360 | \$ --- |
| Fringe Benefits | 52 | 52 | --- |
| Member Dues, Misc. | 800 | 773 | 27 |
| Meeting | 195 | 195 | --- |
| Travel | 50 | 10 | 40 |
| Total Legislative | <u>4,457</u> | <u>4,390</u> | <u>67</u> |
| Executive: | | | |
| Supervisor's Salary | 4,860 | 4,860 | --- |
| Fringe Benefits | 74 | 74 | --- |
| Meetings | 210 | 210 | --- |
| Travel | 50 | 10 | 40 |
| Total Executive | <u>5,194</u> | <u>5,154</u> | <u>40</u> |
| Clerk: | | | |
| Salaries and Wages | 8,280 | 8,280 | --- |
| Fringe Benefits | 122 | 121 | 1 |
| Advertising | 200 | 164 | 36 |
| Meeting | 90 | 90 | --- |
| Supplies | 1,000 | 297 | 703 |
| Travel | 150 | 104 | 46 |
| Services | 559 | 559 | --- |
| Total Clerk | <u>10,401</u> | <u>9,615</u> | <u>786</u> |
| Assessor: | | | |
| Salaries and Wages | 280 | 280 | --- |
| Fringe Benefits | 25 | 21 | 4 |
| Contractual Services | 14,000 | 13,922 | 78 |
| Supplies | 700 | 483 | 217 |
| Services | 5,000 | 4,853 | 147 |
| Total Assessor | <u>20,005</u> | <u>19,559</u> | <u>446</u> |
| Treasurer: | | | |
| Salaries and Wages | 11,655 | 11,655 | --- |
| Fringe Benefits | 174 | 173 | 1 |
| Services | 720 | 720 | --- |
| Meetings | 300 | 300 | --- |
| Supplies | 2,000 | 1,846 | 154 |
| Travel | 200 | 115 | 85 |
| Office Allowance, Travel, Misc. | 75 | 75 | --- |
| Total Treasurer | <u>15,124</u> | <u>14,884</u> | <u>240</u> |
| Board Of Review: | | | |
| Salaries and Wages | 1,280 | 1,240 | 40 |
| Fringe Benefits | 76 | 75 | 1 |
| Advertising | 60 | 56 | 4 |
| Travel | 10 | 10 | --- |
| Total Board Of Review | <u>1,426</u> | <u>1,381</u> | <u>45</u> |

Wright Township
General Fund
Statement Of Expenditures, Compared To Budget (GAAP Basis)
Year Ended March 31, 2004

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|------------------|------------------|---|
| General Government (Continued): | | | |
| Elections: | | | |
| Salaries & Wages | 300 | --- | 300 |
| Fringe Benefits | --- | --- | --- |
| Miscellaneous | 195 | --- | 195 |
| Total Elections | <u>495</u> | <u>---</u> | <u>495</u> |
| Township Hall: | | | |
| Building Repairs | 4,550 | 440 | 4,110 |
| Total Township Hall | <u>4,550</u> | <u>440</u> | <u>4,110</u> |
| Insurance And Bonds: | <u>13,964</u> | <u>13,433</u> | <u>531</u> |
| Legal & Accounting: | <u>1,300</u> | <u>45</u> | <u>1,255</u> |
| Cemetery: | | | |
| Salaries and Wages | 425 | 425 | --- |
| Fringe Benefits | --- | --- | --- |
| Supplies | 900 | 437 | 463 |
| Contracted Services | 11,000 | 11,000 | --- |
| Maintenance and Repair | 530 | 530 | --- |
| Total Cemetery | <u>12,855</u> | <u>12,392</u> | <u>463</u> |
| Miscellaneous: | <u>700</u> | <u>647</u> | <u>53</u> |
| Total General Government | <u>90,471</u> | <u>81,940</u> | <u>8,531</u> |
| Highways, Streets & Bridges: | <u>77,815</u> | <u>65,796</u> | <u>12,019</u> |
| Drains: | <u>5,000</u> | <u>3,539</u> | <u>1,461</u> |
| Street Lighting: | <u>800</u> | <u>759</u> | <u>41</u> |
| Library: | <u>3,600</u> | <u>3,600</u> | <u>---</u> |
| Sanitation: | <u>20</u> | <u>20</u> | <u>---</u> |
| Fire: | <u>12,600</u> | <u>12,366</u> | <u>234</u> |
| Dust Control: | <u>13,650</u> | <u>13,261</u> | <u>389</u> |
| Contingency: | <u>5,899</u> | <u>---</u> | <u>5,899</u> |
| Total | <u>\$209,855</u> | <u>\$181,281</u> | <u>\$28,574</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Fire And Ambulance Service Fund
Balance Sheet
March 31, 2004

| | <u>2004</u> |
|--------------------------------|------------------|
| <u>Assets</u> | |
| Cash in Bank - Investment Plus | \$ 96,120 |
| Cash in Bank - Checking | 25 |
| Cash in Bank - Savings | 15,915 |
| Certificate of Deposits | 61,326 |
| Prepaid Insurance | 1,779 |
| Interest Receivable | <u>131</u> |
| Total Assets | <u>\$175,296</u> |
| <u>Fund Balances:</u> | |
| Restricted | <u>\$175,296</u> |
| Total Fund Balance | <u>\$175,296</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Fire And Ambulance Service Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance
Budget (GAAP Basis) And Actual
March 31, 2004

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|------------------|------------------|---|
| <u>Revenues:</u> | | | |
| Fire and Ambulance Contracts | \$ 51,300 | \$ 52,895 | \$ 1,595 |
| Fire and Ambulance Runs | 44,353 | 42,316 | (2,037) |
| Interest | 950 | 1,129 | 179 |
| Other | 870 | 32,406 | 31,536 |
| Total Revenue | <u>97,473</u> | <u>128,746</u> | <u>31,273</u> |
| <u>Expenditures:</u> | | | |
| Wages | 18,000 | 13,180 | 4,820 |
| Education and Training | 2,500 | 960 | 1,540 |
| Utilities and Telephone | 8,075 | 5,922 | 2,153 |
| Insurance | 16,000 | 15,455 | 545 |
| Vehicle Fuel | 3,000 | 1,635 | 1,365 |
| Repairs & Maintenance | 14,000 | 8,577 | 5,423 |
| Supplies, Postage, Etc. | 14,000 | 8,160 | 5,840 |
| Miscellaneous | 11,325 | 10,299 | 1,026 |
| Capital Outlay | 42,900 | 37,903 | 4,997 |
| Total Expenditures | <u>129,800</u> | <u>102,091</u> | <u>27,709</u> |
| Excess Revenues Over (Under) Expenditures | (32,327) | 26,655 | 58,982 |
| <u>Beginning Fund Balance</u> | <u>148,641</u> | <u>148,641</u> | <u>---</u> |
| <u>Ending Fund Balance</u> | <u>\$116,314</u> | <u>\$175,296</u> | <u>\$ 58,982</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Sewer Fund
Balance Sheet
March 31, 2004

Assets

| | |
|-----------------------------|-------------------------|
| Cash - Savings | \$ 856 |
| Cash - Checking | 1,295 |
| Cash - Money Market | <u>27,971</u> |
| Total Current Assets | <u>\$ 30,122</u> |

Plant In Service

| | |
|--------------------------------|-------------------------|
| Sewer | 276,201 |
| Less: Accumulated Depreciation | <u>---</u> |
| Net Book Value | <u>276,201</u> |
| Total Assets | <u>\$306,323</u> |

Liabilities and Fund Equity

| | |
|--------------------------------------|-----------------------|
| Long Term Liabilities: Bonds Payable | <u>\$300,000</u> |
| Total Long Term Liabilities | <u>300,000</u> |

Fund Equity

| | |
|--------------------------|-------------------------|
| Retained Earnings | <u>6,323</u> |
| Total Fund Equity | <u>\$306,323</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Sewer Fund
Statement of Revenues, Expenditures and Changes In Retained Earnings
For The Year Ended March 31, 2004

Non-Operating Revenues

| | |
|--|---------------------------|
| Miscellaneous | \$ 295 |
| Interest | <u>2,531</u> |
| Total Non-Operating Revenues | <u>2,826</u> |
| Net Income | 2,826 |
| Beginning Retained Earnings | <u>3,497</u> |
| Ending Retained Earnings | <u>\$6,323</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Trust And Agency Funds
Balance Sheet
March 31, 2004

| | <u>Cemetery Trust Fund</u> | <u>Current Tax Collection</u> | <u>Totals (Memorandum Only) 2004</u> |
|---|------------------------------------|---------------------------------------|--|
| <u>Assets</u> | | | |
| Cash | <u>\$ 347</u> | <u>\$ ---</u> | <u>\$ 347</u> |
| | <u>\$ 347</u> | <u>\$ ---</u> | <u>\$ 347</u> |
| <u>Liabilities</u> | | | |
| Due To General Fund | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ ---</u> |
| <u>Fund Balance</u> | <u>347</u> | <u>---</u> | <u>347</u> |
| <u>Total Liabilities And Fund Balance</u> | <u>\$ 347</u> | <u>\$ ---</u> | <u>\$ 347</u> |

See accompanying notes to financial statements.

WRIGHT TOWNSHIP
Trust And Agency Funds
Statement Of Revenues And Expenditures And Changes In Fund Balance
Year Ended March 31, 2004

| | <u>Cemetery Trust Fund</u> | <u>Current Tax Collection</u> | <u>Totals (Memorandum Only) 2004</u> |
|--|------------------------------------|---------------------------------------|--|
| <u>Revenues:</u> | | | |
| Tax Collections | \$ --- | \$938,809 | \$938,809 |
| Interest Income | 2 | --- | 2 |
| Total Revenue | 2 | 938,809 | 938,811 |
| <u>Expenditures:</u> | | | |
| <u>Collections Paid to Authorities:</u> | | | |
| Wright Township | --- | 115,009 | 115,009 |
| Waldron Schools | --- | 342,686 | 342,686 |
| Pittsford Schools | --- | 29,458 | 29,458 |
| Hudson Schools | --- | 21,794 | 21,794 |
| Hillsdale Intermediate Schools | --- | 155,479 | 155,479 |
| County | --- | 261,150 | 261,150 |
| Drains/Other | --- | 13,233 | 13,233 |
| Total Expenditures | --- | 938,809 | 938,809 |
| Excess Revenues Over Expenditures | 2 | --- | 2 |
| <u>Beginning Fund Balance</u> | 345 | --- | 345 |
| <u>Ending Fund Balance</u> | <u>\$ 347</u> | <u>\$ ---</u> | <u>\$ 347</u> |

See accompanying notes to financial statements.

PHILIP R. RUBLEY

- *Certified Public Accountant* -

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FAX 517/458-6353

PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'s
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

August 29, 2004

**Wright Township
Hillsdale County
Waldron, Michigan 49288**

We have examined the combined financial statements of the Wright Township, Hillsdale County, Michigan and the combining, individual fund and account group financial statements of the Township as of and for the year ended March 31, 2004, and have issued our report thereon dated August 29, 2004. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2004, that was made for the purpose set forth in the

first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

Such study and evaluation disclosed the following conditions, which we consider to be weaknesses for which corrective action by the management of Wright Township as recommended:

1. GOVERNMENTAL ACCOUNTING STANDARD BOARD STATEMENT NO. 34 -
BASIC FINANCIAL STATEMENTS - AND MANAGEMENT'S DISCUSSION
AND ANALYSIS

Effective June 15, 2001 the Governmental Accounting Standard Board pronouncement 34 was set in motion. This changes many items in the reporting model. There are six major differences between the current model and Statement 34.

1. Key definitions for governmental reporting. The objective here is to enhance the understandability and usefulness of the general-purpose external financial reports to users. This will require government - wide financial statements along with fund financial statements.
2. Letter of Transmittal and Management Discussion and Analysis. The objective is for management to outline basic information, provide subjective analysis of projects and initiatives, describe service efforts and accomplishments and include descriptions of reporting requirements and acknowledgments.
3. Combined financial statements and government - wide reporting.
4. Infrastructure accounting and reporting.
5. Measurement focus and basis of accounting. The objective - full accrual accounting vs. modified accrual basis for government - wide statements. Fund statements will still be on accrual and modified accrual.
6. Revisions to Fund Financial Statements.

Effective date for Wright Township will be years beginning after June 15, 2003.

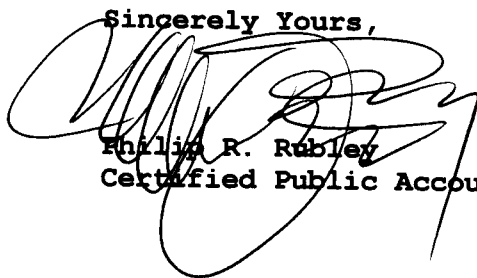
2. **ACCOUNTS RECEIVABLE - AMBULANCE**

Effective with Governmental Accounting Standard No. 34. It will be necessary to book receivables turned over to the third party biller for the ambulance operation at year to comply with full accrual.

The above mentioned condition were considered in determining the nature, timing, and extent of audit tests to be applied to our emanation of the financial statements, and this report does not modify our report dated August 29, 2004 on such financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Sincerely Yours,



Phillip R. Rubley
Certified Public Accountant

PRR/cab